

Summary of Proposed Rules Revisions

- Subpart A lists the following currently defined public policy elements:
 - Universal Service Fund (USF)
 - Lifeline Assistance
 - Telecommunications Relay Service (TRS)
 - End User Common Line (EUCL)
 - Carrier Common Line (CCL)
 - Special Access Surcharge
 - Interconnection Charge
 - Long Term Support (LTS)
 - Cross-Connect Charges for Expanded Interconnection
 - Contribution Charges
- Subpart B provides the descriptions and regulations which govern each of these public policy elements.
- Subpart C has been moved from Part 69 and contains the regulations for Optional Alternative Carrier Common Line Tariffs.
- Subpart D has been moved from Part 69 and contains the rules for the segregation of the Public Policy access category revenue requirement.
- Subpart E has been moved from Part 69 and contains Association (NECA) requirements.

CODE OF FEDERAL REGULATIONS

TITLE 47 - TELECOMMUNICATIONS

CHAPTER I

FEDERAL COMMUNICATIONS COMMISSION

PART 43

**REPORTS OF COMMUNICATION COMMON CARRIERS
AND CERTAIN AFFILIATES**

USTA PROPOSED REVISIONS

Part 43

Reports of Communication Common Carriers and Certain Affiliates

USTA proposes to modify Part 43 -- specifically §§ 43.21(f)(3) and 43.22(a) -- as follows:

§ 43.21 Annual reports of carriers and certain affiliates.

(a)-(e) Unchanged.

(f) Each local exchange carrier with annual operating revenues of \$100 million or more shall file, no later than April 1 of each year, reports showing:

- (1) Its revenues, expenses and investment for all accounts established in part 32 of this chapter, on an operating company basis,
- (2) The same part 32 of this chapter, on a study area basis, with data for regulated and nonregulated operations for those accounts which are related to the carrier's revenue requirement, and
- (3) The separations categories on a study area basis, ~~with each category further divided into access elements and a nonaccess interstate category.~~

§ 43.22 Quarterly reports of communication common carriers.

(a) Each local exchange carrier with operating revenues for the preceding year of \$100 million or more shall file, by March 31, June 30, September 30 and December 31 of each year, a report showing for the previous calendar quarter its revenues, expenses, taxes, plant in services, other investment and depreciation reserves, and such other data as is required by the Commission, on computer media prescribed by the Commission. The total operating results shall be allocated between regulated and nonregulated operations, and the regulated data shall be further divided ~~between state into the following categories: State and interstate and the interstate will be further divided into common line, traffic sensitive access, special access and nonaccess.~~

(b) Unchanged.

CODE OF FEDERAL REGULATIONS

TITLE 47 - TELECOMMUNICATIONS

CHAPTER I

FEDERAL COMMUNICATIONS COMMISSION

PART 61 - TARIFFS

USTA PROPOSED REVISIONS

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Part 61 -- Tariffs

Subpart A - General

§ 61.1 Purpose and application.

- (a) The purpose of this part is to prescribe the framework for the initial establishment of and subsequent revision to tariff publications.
- (b) Tariff publications filed with the Commission must conform to the rules in this part. Failure to comply with any provisions of this part may be grounds for rejections of the complying publication.
- (c) No carrier required to file tariffs may provide any interstate or foreign communication service until every tariff publication for such communication service is on file with the Commission and in effect.

§ 61.2 Clear and explicit explanatory statements.

In order to remove all doubt as to their proper application, all tariff publications must contain clear and explicit explanatory statements regarding the rates and regulations.

§ 61.3 Definitions.

- (a) *Act.* The Communications Act of 1934 (48 Stat. 1004; 47 U.S.C. Chapter 5), as amended.
- (b) *Actual Price Index (API).* An index of the level of aggregate rate element rates in a basket, which index is calculated pursuant to § 61.46 for dominant interexchange carriers and § Y.204 for local exchange carriers.
- (c) *Association.* The local exchange carrier association described in Z.401. ~~This term has the meaning given it in § 69.2(c).~~
- (d) *Band.* A zone of pricing flexibility for a service category, which zone is calculated pursuant to § 61.3647 or Y.205.

Proposed Part 61 Rules

- (e) **Base period.** For carriers subject to ~~price cap regulation~~~~§§ 61.41-49~~, the 12-month period ending six months prior to the effective date of annual price cap tariffs, or for carriers regulated under § 61.4150, the 24-month period ending six months prior to the effective date of biennial optional incentive plan tariffs.
- (f) **Basket.** Any class or category of tariffed service:
 - (1) which is established by the Commission pursuant to price cap regulations;
 - (2) the rates of which are reflected in an Actual Price Index; and
 - (3) the related costs of which are reflected in a Price Cap Index.
- (g) **Change in rate structure.** A restructuring or other alteration of the rate components for an existing service.
- (h) **Charges.** The price for service based on tariffed rates.
- (i) **Commercial contractor.** The commercial firm to whom the Commission annually awards a contract to make copies of Commission records for sale to the public.
- (j) **Commission.** The Federal Communications Commission.
- (k) **Competitive Market Area (CMA).** A geographic area consisting of the serving area of one local exchange carrier wire center that satisfies the CMA competitive criteria as set forth in § Y.101(g) or (i).
- (l) **Concurring carrier.** A carrier (other than a connecting carrier) subject to the Act which concurs in and assents to schedules of rates and regulations filed on its behalf by an issuing carrier or carriers.
- (m) **Connecting carrier.** A carrier engaged in interstate or foreign communication solely through physical connection with the facilities of another carrier not directly or indirectly controlling by, or under direct or indirect common control with, such carrier.

Proposed Part 61 Rules

- (n) **Contract-based tariff.** A tariff based on a service contract entered into between an ~~interexchange~~ common carrier subject to § 61.42 ~~(a) through (c)~~ or a nondominant carrier and a customer.
- (o) **Corrections.** The remedy of errors in typing, spelling or punctuation.
- (p) **Dominant carrier.** A carrier found by the Commission to have market power (i.e., power to control prices).
- (q) **GNP Price Index.** (GNP-PI). The estimate of the "Fixed-Weighted Price Index for Gross National Product, 1982 Weights" published by the United States Department of Commerce, which the Commission designates by Order.
- (r) **Initial Market Area (IMA).** A geographic area comprised of the serving areas of one or more local exchange carrier wire centers. An IMA includes all of the wire centers in a study area or a subset of those wire centers. An IMA does not include wire centers which have been designated as Transitional Market Area (TMA) wire centers or Competitive Market Area (CMA) wire centers.
- (s) **Issuing carrier.** A carrier subject to the Act that publishes a tariff or tariffs with the Commission.
- (t) **Local Exchange Carrier.** A telephone company that provides telephone exchange service as defined in section 3(r) of the Act.
- (u) **Market Area.** A geographic area designated by a local exchange carrier which is comprised of the serving areas of one or more wire centers.
- (v) **Market Area Band Index (MABI).** An index of the level of aggregate rates in a market area category.
- (w) **Market Area Category.** Any group of rate elements, which is subject to a banding constraint.
- (x) **Market Area Classification.** The classification of market areas into Initial Market Areas (IMAs), Transitional Market Areas (TMAs) or Competitive Market Areas (CMAs).

Proposed Part 61 Rules

- (y) **New service offering.** A tariff filing that provides for a class or sub-class of service not previously offered by the carrier involved and that enlarges the range of service options available to ratepayers.
- (z) **Non-dominant carrier.** A carrier not found to be dominant.
- (aa) **Non-price cap local exchange carrier.** A local exchange carrier that is not subject to price cap regulation as set forth in Y.201 through Y.207.
- (bb) **Other participating carrier.** A carrier subject to the Act that publishes a tariff containing rates and regulations applicable to the portion or through service it furnishes in conjunction with another subject carrier.
- (cc) **Optional Incentive Regulation (OIR).** A form of incentive regulation that non-price cap local exchange carriers may elect pursuant to § 61.41.
- (dd) **Price Cap Index (PCI).** An index of costs applying to carriers subject to price cap regulation, which index is calculated for each basket pursuant to §§ 61.3444 or Y.20361.45.
- (ee) **Price Cap Local Exchange Carrier.** A local exchange carrier that is subject to price cap regulation as set forth in §§ Y.201 through Y.207.
- (ff) **Price cap regulation.** A method of regulation of dominant interexchange carriers provided in §§ 61.3144 through 61.3749 and for local exchange carriers provided for in §§ Y.201 through Y.207.
- (gg) **Price cap tariff.** Any tariff filing involving a service that is within a price cap basket, or that requires calculations pursuant to §§ 61.3444, 61.45, 61.3546, or 61.3647 for dominant interexchange carriers and calculations pursuant to §§ Y.203-Y.205 for local exchange carriers.
- (hh) **Productivity factor.** An adjustment factor used to make annual adjustments to the Price Cap Index to reflect the margin by which a carrier subject to price cap regulation is expected to improve its productivity to the economy as a whole.

Proposed Part 61 Rules

- (ii) **Rate.** The tariffed price per unit of service.
- (jj) **Rate increase.** Any change in a tariff which results in an increased rate or charge to any of the filing carrier's customers.
- (kk) **Rate level change.** A tariff change that only affects the actual rate associated with rate elements, and does not affect any tariff regulations or any other wording of tariff language.
- (ll) **Regulations.** The body of carrier prescribed rules in a tariff governing the offering of service in that tariff, including rules, practices, classifications, and definitions.
- (mm) **Restructured service.** An offering which represents the modification of a method of charging or provisioning a service; or the introduction of a new method of charging or provisioning that does not result in a net increase in options available to customers.
- (nn) **Service Band Index (SBI).** An index of the level of aggregate rate element rates in a service category, which index is calculated pursuant to § 61.3647.
- (oo) **Service category.** Any group of rate elements subject to price cap regulation, which group is subject to a band.
- (pp) **Supplement.** A publication filed as part of a tariff for the purpose of suspending or canceling that tariff, or tariff publication and numbered independently from the tariff page series.
- (qq) **Tariff.** Schedule of rates and regulations filed by common carriers.
- (rr) **Tariff publication, or publication.** A tariff supplement, revised page, additional page, concurrence, notice of revocation, adoption notice, or any other schedule of rates or regulations.
- (ss) **Text change.** A change in the text of a tariff which does not result in a change in any rate or regulation.
- (tt) **Transitional Market Area (TMA).** A geographic area comprised of the serving area of one or more local exchange carrier wire centers which has satisfied the TMA competitive criterion as set forth in § Y.101(f) or (i).
- (uu) **United States.** The several States and Territories, the District of Columbia, and the possessions of the United States.

General Rules for Domestic Nondominant Carriers

§ 61.20 Method of Filing Publications

- (a) Publications sent for filing must be addressed to "Secretary, Federal Communications Commission, Washington, D.C. 20554." The date on which the publication is received by the Secretary of the Commission (or the Mail Room where submitted by mail-) is considered the official filing date.
- (b) In addition, for all tariff publications requiring fees as set forth in Part 1, subpart G of this chapter, issuing carriers must submit the original of the cover letter (without attachments, FCC Form 155, and the appropriate fee to the Mellon Bank, Pittsburgh, PA at the address set forth in § 1.1105. Issuing carriers should submit these fee materials on the same date as the submission in paragraph (a).
- (c) In addition to the requirements set forth in paragraphs (a) and (b) of this section, the issuing carrier must send a copy of the cover letter with one diskette containing both the complete tariff and any attachments, as appropriate, to the Secretary, Federal Communications Commission. In addition, the issuing carrier must send one diskette of the complete tariff and a copy of the cover letter to the commercial contractor (at its office on Commission premises), and to the Chief, Tariff Review Branch. The latter should be clearly labeled as the "Public Reference Copy." The issuing carrier should file the copies required by this paragraph so they will be received on the same date as the filings in paragraph (a).

§ 61.21 Cover Letters

- (a) Except as specified in § 61.4632(b), all publications filed with the Commission must be accompanied by a cover letter, 8 1/2 by 11 inches (21.6 cm x 27.9 cm) in size. All cover letters should briefly explain the nature of the filing and indicate the date and method of filing of the original of the cover letter as required by § 61.20(b).

Proposed Part 61 Rules

- (b) A separate cover letter may accompany each publication, or an issuing carrier may file as many publications as desired with one cover letter. Note: If a receipt for accompanying publication is desired, the cover letter must be sent in duplicate. One copy showing the date of receipt by the Commission will then be returned to the sender.

Specific Rules for Domestic Nondominant Carriers

§ 61.22 Composition of Tariffs

- (a) The tariff must be submitted on a 3 1/2 inch (8.89 cm) diskette, formatted in an IBM compatible form using MS DOS 5.0 and Word Perfect 5.1 software. The diskette must be submitted in "read only" mode. The diskette must be clearly labeled with the carrier's name, Tariff Number, and the date of submission. The cover letter must be submitted on 8 1/2 by 11 inch (21.6 cm x 27. cm) paper, and must be plainly printed in black ink.
- (b) The tariff must contain the carrier's name, and the information required by Section 203(c) of the Act. Rates may be expressed in a manner of the carrier's choosing and may include a reasonable range of ranges.
- (c) Changes to a tariff must be made by refiling the entire tariff on a new diskette, with the changed material included. The carrier must indicate in the tariff what changes have been made.
- (d) Domestic nondominant carriers subject to the provision of this section are not subject to the tariff filing requirements of Section 61.54 of these rules.

§ 61.23 Notice Requirements

- (a) Every proposed tariff filing must bear an effective date and, except as otherwise provided by regulation, special permission, or Commission order, must be made on at least the number of days notice specified in this section.

Proposed Part 61 Rules

- (b) Notice is accomplished by filing the proposed tariff changes with the Commission. Any period of notice specified in this section begins on and includes the date the tariff is received by the Commission, but does not include the effective date. In computing the notice period required, all days including Sundays and holidays must be counted.
- (c) Tariff filings of domestic nondominant carriers must be made on at least one day notice.

Subpart B - General Filing Requirements; Supporting Information

§ 61.29 Supporting information to be submitted with letters of transmittal for tariffs which establish market area classifications for local exchange carriers.

- (a) A tariff filing by a local exchange carrier that establishes new IMAs subsequent to [date] shall be accompanied by a showing pursuant to § Y.101(e) and a showing which initializes the associated MABIs.
- (b) Each tariff filing by a local exchange carrier that proposes to assign a wire center to a TMA must be accompanied by a showing pursuant to § Y.101(f) or (i), and a showing which reconstructs the associated APIs and MABIs.
- (c) Each tariff filing by a local exchange carrier that proposes to move a wire center from an IMA or TMA to a new CMA must be accompanied by a showing consistent with § Y.101(h) and as set forth in § Y.101(g)(1) and (g)(2) or (i).
- (d) Each tariff filing by a non-price cap local exchange carrier that proposes a new CMA, or proposes to assign additional access categories to a CMA must be accompanied by a showing that the CMA services' costs and revenues have been removed from the revenue requirements of the associated access categories.

Proposed Part 61 Rules

- (e) **Each tariff filing by a price cap local exchange carrier that proposes a new CMA, or proposes to assign additional services to a CMA, must be accompanied by a showing which reconstructs the associated APIs and MABIs for the IMA or TMA as appropriate.**

61.30 **Supporting information to be submitted with letters of transmittal for services offered within an IMA, TMA or CMA by local exchange carriers subject to rate of return regulation.**

- (a) **Scope.** This Section applies to dominant carriers whose gross annual revenues exceed \$500,000 for the most recent 12 month period of operations or are estimated to exceed \$500,000 for a representative 12 month period and are not subject to price cap regulation. Local exchange carriers serving 80,000 or fewer access lines in a given study area that are described as subset 3 carriers in § Z.402 of this chapter may submit Access Tariff filings for that study area pursuant to either this section or § 61.42. This section (other than the preceding sentence of this paragraph) shall not apply to tariff filings proposing rates for services identified in §61.41.
- (b) **Explanation and data supporting either changes or new tariff offerings.** The material to be submitted for a tariff change which affects rates or charges or for a tariff offering a new service, must include an explanation of the changed or new matter and the reasons for the filing.
 - (1) **For a tariff change affecting rates in an IMA or TMA the carrier must submit the existing and proposed rates, projected demand based on the proposed rates, and projected revenues based on the proposed rates, and supporting material sufficient to meet the requirements of §§ Y.305 and Y.306, as applicable.**
 - (2) **For a tariff filing offering a new service within an IMA the carrier must submit the following:**
 - (i) **A study containing a projection of costs for the new service and each unbundled element, thereof for a representative 12 month period; and**

Proposed Part 61 Rules

- (ii) **Estimates of the effect of the new matter on the demand and revenues from the service to which the new matter applies, the carrier's other service classifications, and the overall demand and revenues. These estimates must include the projected effects on the demand and revenues for the same representative 12 month period used in (i) above.**
- (3) **Each tariff filing by a local exchange carrier that introduces a new service within a TMA must be accompanied by cost data sufficient to establish that the new service, and each unbundled element thereof, will generate a net revenue increase -- measured against revenues generated from all services subject to rate of return regulation, and calculated based upon present value -- within 36 months from the date the new service becomes effective.**
- (4) **Concurrently with the filing of any tariff change or tariff filing for a service not previously offered in a IMA or TMA, the Chief, Tariff Review Branch must be provided two sets of working papers containing the information underlying the data supplied in response to paragraph (b) of this section, and a clear explanation of how the working papers relate to that information.**
- (5) **Each tariff filing by a local exchange carrier for a service offered in a CMA shall be accompanied by the following:**
 - (A) **The term of the service, including any renewal options;**
 - (B) **A brief description of each of the services provided;**
 - (C) **Minimum volume commitments for each service;**
 - (D) **The price for each service or services at the volume levels committed to by the customers;**

Proposed Part 61 Rules

- (E) A general description of any volume discounts built into the rate structure; and
 - (F) A general description of other classifications, practices and regulations affecting the service rate.
- (6) In addition to the requirements of paragraph (5) of this section, each tariff filing by a local exchange carrier which introduces a § Y.303 service, other than § Y.303(c) and (d) services, in an IMA or TMA, shall be accompanied by a demonstration that the service will generate a net revenue increase:
 - (A) The net revenue increase showing shall be measured against revenues generated from all services subject to rate of return regulation.
 - (B) The net revenue increase measured in (A) shall be calculated based upon present value within 36 months from the date the service becomes effective.
- (7) Tariff filings for contract-based services shall be made pursuant to § 61.40.
- (c) *Submission of explanation and data by connecting carriers.* If the changed or new matter is being filed by the issuing carrier at the request of a connecting carrier, the connecting carrier must provide the data required by paragraph (b) of this section on the date the issuing carrier files the tariff matter with the Commission.

§ 61.3149 Supporting information to be submitted with letters of transmittal for tariffs of carriers subject to price cap regulation.

- (a) Each price cap tariff filing must be accompanied by supporting materials sufficient to calculate required adjustments to each PCI, API, and MABI or SBI pursuant to the methodologies provided in §§61.3444, ~~61.45~~, ~~61.3546~~, and ~~61.3647~~, as applicable for dominant interexchange carriers, and §§ Y.203, Y.204, Y.205 and Z.108 as applicable for local exchange carriers.
- (b) **Within Band Filings.** Each price cap tariff filing that proposes rates that are within applicable bands established pursuant to § 61.3647 for dominant interexchange carriers and §§ Y.205 Z.108 for local exchange carriers, and that results in an API value that is equal to or less than the applicable PCI value, must be accompanied by supporting materials sufficient to establish compliance with the applicable bands, and to calculate the necessary adjustment to the affected APIs and MABIs or SBIs pursuant to § 61.3546 and § 61.3647, for dominant interexchange carriers respectively and §§ Y.204, Y.205, and Z.108 for local exchange carriers.
- (c) **Above Band Filings.** Each price cap tariff filing that proposes rates above the applicable band limits established in § 61.3647(e) and (f) for dominant interexchange carriers and §§ Y.205 and Z.108 for local exchange carriers, or above the limit on composite average residential rates established in § 61.3647(g), must be accompanied by supporting materials establishing substantial cause for the proposed rates.
- (d) **Below Band Filings.** Each price cap filing that proposes market area category or service category rates below applicable band limits established in § 61.3647(e) for dominant interexchange carriers and § Y.205 for local exchange carriers, of this part, must be accompanied by supporting materials establishing that the rates cover the market area category's or service category's average variable cost, or equivalently, that the market area category's or service category's net additional revenue resulting from the price change exceeds additional costs.

Proposed Part 61 Rules

- (e) **API above PCI Filings.** Each price cap tariff filing that proposes rates that will result in an API value that exceeds the applicable PCI value must be accompanied by: (i) an explanation of the manner in which all costs have been allocated among baskets; and (ii) within the affected basket, a cost assignment showing down to the lowest possible level of disaggregation including a detailed explanation of the reasons for the prices of all rate elements to which costs are not assigned.
- (f) Each price cap tariff filing that proposes restructuring of existing rates must be accompanied by supporting materials sufficient to make the adjustments to each affected API and MABI or SBI required by § 61.3546(c) and § 61.3647(d), respectively for dominant interexchange carriers and §§ Y.204 and Y.205 respectively for local exchange carriers.
- (g)(1) Each tariff filing by a dominant interexchange carrier, or local exchange carrier for services in a TMA, as specified by Commission order, that introduces a new service that will later be included in a basket must be accompanied by cost data sufficient to establish that the new service, and each unbundled element thereof, will generate a net revenue increase - measured against revenues generated from all services subject to price cap regulation, and calculated based upon present value - within the lesser of a 24-month period after an annual price cap tariff including the new service takes effect, or 36 months from the date the new service becomes effective. Each carrier making such a tariff filing must at the time the new service is incorporated into the price cap index, submit data sufficient to make the API and PCI calculations required by §§61.3546(b) and 61.3444(c) of this part for dominant interexchange carriers and §§ Y.204 and Y.205 for local exchange carriers, and, as necessary, to make the SBI calculations provided in § 61.3647 (b) or (c) of this part for dominant interexchange carriers and the MABI calculations provided in § Y.205 for local exchange carriers.
- (g)(2) Each tariff filing submitted by a local exchange carrier that introduces a new service in an IMA that is or will later be included in basket must be accompanied by cost data sufficient to establish that the new service or unbundled BSE will not recover more than a just and reasonable portion of the carrier's overhead costs its incremental costs and establish that the rates are just and reasonable.

Proposed Part 61 Rules

(g)(3) Working papers and statistical data. Concurrently with the filing of any tariff change or tariff filing for a service not previously offered, the Chief, Tariff Review Branch must be provided two sets of working papers containing the information underlying the data supplied in response to paragraphs (g)(1) and (g)(2), of this section, and a clear explanation of how the working papers relate to that information.

(h) ~~Each tariff filing by a local exchange carrier specified in s 61.41(a) (2) or (3) of this part that introduces a new service or a restructured unbundled basic service element (BSE) (as BSE is defined in s 60.2 (mm)) that will later be included in a basket must be accompanied by~~

~~(1) The following, including complete explanations of the bases for the estimates:~~

~~(a) A study containing a projection of costs for a representative 12 month period; and~~

~~(b) Estimates of the effect of the new tariff on the traffic and revenues from the service to which the new tariff applies, the carrier's other service classifications, and the carrier's overall traffic and revenues. These estimates must include the projected effects on the traffic and revenues for the same representative 12 month period used in paragraph (h)(1)(a) of this section.~~

(2) Working papers and statistical data.

(a) Concurrently with the filing of any tariff change or tariff filing for a service not previously offered, the Chief, Tariff Review Branch must be provided two sets of working papers containing the information underlying the data supplied in response to paragraph (h)(1), of this section, and a clear explanation of how the working papers relate to that information.

(b) All statistical studies must be submitted and supported in the form prescribed in § 1.363 of the Commission's Rules.

Proposed Part 61 Rules

- (hi) Each tariff filing submitted by a local exchange carrier subject to price cap regulation that introduces or changes the rates for **cross-connect connection charges subelements** for expanded interconnection, ~~as defined in § 60.121 of this chapter,~~ pursuant to § Z.110 must be accompanied by cost data sufficient to establish that such charges will not recover more than a just and reasonable portion of the carrier's overhead costs.
- (ij) For a tariff filing that introduces or changes a contribution charge for **special access expanded interconnection**, as defined in § Z.11160.122 of this chapter, the carrier must submit information sufficient to establish that the charge has been calculated in a manner that complies with the Commission order authorizing the contribution charge.
- (k) ~~For a tariff that introduces a system of density pricing zones for special access, as described in § 60.123 of this chapter, the carrier must, before filing its tariff, submit a density pricing zone plan including, inter alia, documentation sufficient to establish that the system of zones reasonably reflects cost-related characteristics, such as the density of total interstate traffic central offices located in the respective zones, and receive approval of its proposed plan.~~
- (j) Each tariff filing by a local exchange carrier for a service offered in a CMA shall be accompanied by the following:
 - (1) The term of the service, including any renewal options;
 - (2) A brief description of each of the services provided;
 - (3) Minimum volume commitments for each service;
 - (4) The price for each service or services at the volume levels committed to by the customers;
 - (5) A general description of any volume discounts built into the rate structure; and
 - (6) A general description of other classifications, practices and regulations affecting the service rate.

Proposed Part 61 Rules

- (k) In addition to the requirements of paragraph (j) of this section, each tariff filing by a local exchange carrier which introduces a § Y.202(c) service, other than § Y.202(c)(4) and (5) services, in an IMA or TMA, shall be accompanied by a demonstration that the service will generate a net revenue increase:**
 - (1) The net revenue increase showing shall be measured against revenues generated from all services subject to price cap regulation.**
 - (2) The net revenue increase measured in (1) shall be calculated based upon present value within 36 months from the date the service becomes effective.**
- (l) Tariff filings for contract-based services shall be made pursuant to § 61.40.**

§ 61.3244 Price cap requirements generally [for dominant interexchange carriers].¹

- (a) Sections 61.3142 through 61.3749 shall apply as follows:**
 - (1) To dominant interexchange carriers, as specified by Commission order;**
 - ~~(2) To such local exchange carriers, as specified by Commission order, and to all local exchange carriers, other than average schedule companies, that are affiliated with such carriers; and~~**
 - ~~(3) On an elective basis, to local exchange carriers, other than those specified in paragraph (a)(2), that are neither participants in any Association tariff, nor affiliated with any such participants, except that affiliation with average~~**

¹ Those portions of the existing Section 61.41 pertaining to local exchange carriers have been moved to the proposed new Part Y -- Pricing. See § Y.201 -- Price Cap Requirements for Local Exchange Carriers.

Proposed Part 61 Rules

~~schedule companies shall not bar a carrier from electing price cap regulation provided the carrier is otherwise eligible.~~

- ~~(b) If a telephone company, or any one of a group of affiliated telephone companies, files a price cap tariff in one study area, that telephone company and its affiliates, except its average schedule affiliates, must file price cap tariffs in all their study areas.~~
- ~~(c) The following rules apply to telephone companies subject to price cap regulation, as that term is defined in § 61.3(w), which are involved in mergers, acquisitions, or similar transactions.~~
 - ~~(1) Any telephone company subject to price cap regulation that is a party to a merger, acquisition, or similar transaction shall continue to be subject to price cap regulation notwithstanding such transaction.~~
 - ~~(2) Where a telephone company subject to price cap regulation acquires, is acquired by, merges with, or otherwise becomes affiliated with a telephone company that is not subject to price cap regulation, the latter telephone company shall become subject to price cap regulation no later than one year following the effective date of such merger, acquisition, or similar transaction and shall accordingly file price cap tariffs to be effective no later than the date in accordance with the applicable provisions of this Part 61.~~
 - ~~(3) Notwithstanding the provisions of § 61.41(c)(2) above, when a telephone company subject to price cap regulation acquires, is acquired by, merges with, or otherwise becomes affiliated with a telephone company that qualifies as an "average schedule" company, the latter company may retain its "average schedule" status or become subject to price cap regulation in accordance with § 69.3(i)(3) and the requirements referenced in that section.~~
- ~~(d) Local exchange carriers that become subject to price cap regulation as that term is defined in § 61.3(w) shall not be eligible to withdraw from such regulation.~~

Proposed Part 61 Rules

§ 61.3342 Price cap baskets and service categories [for dominant interexchange carriers].

- (a) Each dominant interexchange carrier subject to price cap regulation shall establish three baskets as follows:
 - (1) A residential and small business services basket;
 - (2) A 800 service basket; and
 - (3) A business service basket
- (b)(1) The residential and small business basket shall contain such services as the Commission shall permit or require, including the following service categories:
 - (i) Domestic day MTS;
 - (ii) Domestic evening MTS;
 - (iii) Domestic night/weekend MTS ;
 - (iv) International MTS;
 - (v) Operator and credit card services; and
 - (vi) Reach Out America.
- (2) The 800 service basket shall contain 800 Directory Assistance:
 - (i) Readyline 800;
 - (ii) AT&T 800;
 - (iii) Megacom 800, and
 - (iv) Other 800; and
 - (v) 800 Directory Assistance.
- (3) The business services basket shall contain analog private line offerings, including analog voice grade private line and terrestrial television transmission services.